



Australian Government

BUILDING AUSTRALIA'S FUTURE WORKFORCE

Supporting Australians with disability into work

The Australian Government is improving support for Australians with disability to help them into work where possible, while continuing to provide an essential safety net for Australians who are unable to work to fully support themselves.

Reforms in the 2011-12 Budget will introduce new participation requirements for certain Disability Support Pension (DSP) recipients with some capacity to work. This will be combined with extra support for people with disability, including more employment services, generous rules for existing DSP to encourage them to work more hours, and support for employers to take on more people with disability through new financial incentives.

The Australian Government is investing \$111.7m in this package from 1 July 2012.

- \$92.8 million over four years for new DSP participation requirements;
- \$7.6 million over four years for allowing some DSP recipients to work up to 30 hours a week; and
- \$11.3 million over four years for new incentives for employers.

Why is the Government acting?

Working helps boost people's self-esteem, improves social contact, provides more income, and leads to improved health and financial security. The Government is committed to ensuring people with disability can access these opportunities wherever they are able.

In 2009, the workforce participation rate of people with a disability was 54 per cent, compared to 83 per cent for people with no reported disability. Only around 10 per cent of DSP recipients have income from employment. The DSP currently has no ongoing requirements for recipients, and many people are simply left on DSP. The average length of time that DSP recipients are on income support is almost twelve years.

Many people with disability want to work if they can, but they may need extra support. Employers may also need incentives to encourage them to employ people with disability.

How will new participation requirements assist people with disability?

From 1 July 2012, DSP recipients under age 35 who are assessed as having a work capacity of 8 hours or more a week will be required to attend interviews with Centrelink.

There will be an initial interview, followed by further interviews every three months. After 18 months, interviews will then be conducted every 6 months.

At the initial interview Centrelink will discuss people's circumstances and work with them to put together an individualised participation plan that sets out services and activities the DSP recipient wants to engage in.

Activities in the participation plan may include:

- Rehabilitation
- Volunteer work
- Employment services either through Job Services Australia, or Disability Employment Services which provide tailored assistance to help people with disability prepare for and get work
- Vocational education and training programs such as language, literacy and numeracy programs
- Other support services to help address barriers to employment – for example homelessness or drug and alcohol programs available in the local area.

Centrelink will provide information on local services and support available to the DSP recipient that can help them gain employment, prepare for work and participate in the community. Once the participation plan is agreed, Centrelink will provide referrals to the activities and services in the plan.

Participation in these services and activities, looking for work and taking up employment will all be voluntary.

At subsequent interviews the DSP recipient will discuss their progress with Centrelink, update the participation plan, receive up-to-date information on support that may be available to them, and receive referrals to any new activities and services they volunteer for.

Who will participation requirements apply to?

The new requirements will apply to both people already on DSP and new recipients who are under 35, unless they:

- are assessed through a Job Capacity Assessment as being able to work for less than 8 hours a week;
- have been granted DSP on the basis of a 'manifest' condition;
- are working in an Australian Disability Enterprise; or
- are working under the Supported Wage System.

Job Capacity Assessments determine if a person could work and how much work they could do. Many DSP recipients under age 35 will already have had a Job Capacity Assessment within the last two years.

Centrelink will also examine its records for customers who have not previously had their work capacity assessed, or whose Job Capacity Assessment was conducted over two years ago. If Centrelink determines these customers may have some work capacity, it will contact them to arrange an interview.

At this interview, Centrelink will discuss with the person whether they are likely to be able to work 8 or more hours a week, and exclude anyone clearly unable to work 8 or more hours a week. Those who may be able to work for 8 hours or more a week will be referred for a Job Capacity Assessment to assess their work capacity.

DSP recipients who are currently employed in open employment will be required to attend an initial interview, but will not have to attend subsequent interviews while they are working.

The requirements will apply until the DSP recipient turns 35 years old. The extra support is targeted at recipients who are under 35 because:

- people under 35 have often been away from work or education for less time than older DSP recipients, and have a better chance of re-engagement.
- Nearly 38 per cent of people under 35 have an assessed work capacity of 8 hours or more a week, compared with only 29 per cent of all DSP recipients.

What happens if a DSP recipient does not attend their interviews with Centrelink?

If a DSP recipient does not contact Centrelink and does not attend their interview, they will be contacted to make another interview time. If they still do not attend, Centrelink may suspend their payment.

Centrelink will set a new date for the interview and once the person does turn up for the interview any suspended money will be back-paid and payments will commence again normally if the person contacts Centrelink within 13 weeks of their payment being suspended.

If a DSP recipient is unable to attend their interview – for instance due to illness – they should contact Centrelink as soon as possible and Centrelink will arrange another interview.

If someone has a legitimate reason for not attending and not being able to contact Centrelink, then Centrelink will restore their payment and reschedule the interview.

What new support is the Government providing for jobseekers with disability?

The Government is investing \$30.4 million over four years in additional employment services through Disability Employment Services and Job Services Australia as part of the participation requirements for people with disability.

And as part of a major investment in mental health in this Budget, \$50 million will be dedicated to providing personal helpers and mentors to specifically help people with mental illness on, or claiming, income support or the Disability Support Pension who are also working with employment services.

This Budget also includes:

- More generous rules from 1 July 2012 to allow disability support pensioners to work up to 30 hours a week continuously for up to 2 years without having their payment suspended or cancelled. These people will be able to receive a part pension if they are working up to 30 hours a week, subject to usual means testing arrangements.
- New wage subsidies for employers who employ people with disability in jobs for at least 15 hours a week for 26 weeks. The subsidies will help employers cover the costs of recruiting and training eligible job seekers.
- Very long term unemployed job seekers with disability participating in Disability Employment Services and Job Services Australia programs may also be eligible for a wage subsidy of approximately \$5,700 over six months. Job seekers with disability are estimated to comprise around a third of all places in this \$94.6 million measure.
- From 1 July 2012, a new Supported Wage System Employer Payment will also be available to employers who employ people whose productivity is reduced as a result of their disability. The \$2,000 incentive payment will be available to eligible employers after they have employed a person under the Supported Wage System for a minimum of 15 hours a week, for a period of 26 weeks.

More accurate and efficient Disability Support Pension assessments

The Government is also fast tracking the start of significant reforms to DSP assessments announced in the 2010-11 Budget. These new rules will now apply from 3 September 2011, rather than 1 January 2012.

The new DSP assessment procedure will help people with disabilities return to the workforce by focusing on their ability, rather than their disability. These reforms will provide faster, more sustainable support for people with severe disabilities, while referring others with the potential to work to employment services including Job Services Australia and Disability Employment Services.

While eligibility for the DSP will not change, applicants will be required to provide sufficient evidence that they are unable to work independently, even with assistance and support.

To satisfy this requirement, most applicants will have to provide evidence that they have been unable to obtain employment through an open employment service or vocational rehabilitation.

However, where the person doesn't have any evidence and it is not clear that they couldn't be assisted back to work with a specialised program of support, their DSP application will be rejected in the first instance. They will be referred to an appropriate employment service for a program of support, for up to 18 months, and will be offered an alternative income support payment while they are participating in the program, generally Newstart Allowance.

People with severe disability or illness who are clearly unable to work will be fast-tracked to ensure they receive financial support more quickly.

How will these measures be implemented?

These measures will be implemented by Centrelink, the Department of Education Employment and Workplace Relations, and the Department of Families, Housing, Community Services, and Indigenous Affairs.

The Government will work closely with disability groups and community organisations prior to the commencement of these measures to prepare for their implementation, including ensuring people with disability get the most benefits from the services available.

What has the Government already done?

The Government is investing over \$3 billion over the next four years through uncapping access to Disability Employment Services, so people with disability can more easily get help to find work. Previously, people with disability had to wait up to a year to access these services.

Over the last three Budgets the Government has also initiated a series of reforms that are overhauling key aspects of the Disability Support Pension. This reform program is fundamentally reshaping many aspects of the DSP, including through:

- fast tracking claims for manifest and severely disabled applicants so they get support more quickly;
- improving the adequacy of the base pension, especially for singles;
- increased incentives to give work a try by removing punitive rules that discourage use of disability employment services;
- reviewing the Impairment Tables – used to assess a person's level of impairment for DSP eligibility – to bring them up to date with contemporary medical and rehabilitation practice; and
- establishing a new Health Professional Advice Unit within Centrelink to give DSP assessors independent advice on medical issues in DSP assessments.